



**Human Resources
Administration**
Department of
Social Services

TESTIMONY

Robert Doar, Commissioner
Human Resources Administration/Department of Social Services

Fiscal 2009 Proposed Executive Budget Hearing

*Joint Hearing of the New York City Council
General Welfare and Finance Committees*

May 13, 2008

Good morning Chairman de Blasio and Chairman Weprin and members of the General Welfare and Finance Committees. Joining me this morning is Kathleen Tyler, Director of HRA's Budget Office who has been responsible for preparing our budget submission this year. A task Kathleen has executed with great patience and perseverance.

Since I last testified two months ago, I am glad to say that we have a final State budget that includes some cuts but that is overall much more positive in the area of human services than initially expected. Thanks to the efforts of many, including Chairman de Blasio and other members of the City Council, the Legislature rejected the Executive's proposal to break the long-standing, equal cost sharing agreement between the State and the City for benefits in cash assistance. Retaining this balance was critical to not only our budget but also to the overall structure of how the public assistance programs operate in the State.

Also, I am very pleased that the legislature agreed to take advantage of new federal flexibility by increasing the amount of child support collections passed onto cash assistance families. Although there will be a cost to the City for this change, it is a very important step forward and something I have pushed for throughout my career.

Child Support Enforcement may be the most cost-effective human service program in the country. Every government dollar (city, state, and federal) spent in administrative costs leads to more than eleven dollars in collections. Here in New York City, due in part to the fact that the federal and state governments pay for more than 80 percent of the program costs, custodial parents receive approximately \$70 for every dollar of city tax levy invested. The program puts resources immediately into the hands of low-income families who need them - whether or not they are on welfare. In fact, our ongoing child support services assist more than 160,000 families who were formerly on cash assistance; and in 2007, we collected a record \$620 million of which \$580 million (94%) was given directly to families. Increasing the child support pass through will ensure that an even greater share of collections goes to families and not to recoup welfare payments.

However, not all news from the State was good. The legislature reduced overall State funding for the intensive services grant to re-engage sanctioned families from \$14 million down to \$3 million. Also, all costs for two-parent families on the Safety Net program have been shifted to

local districts and new limitations have been placed on the Work Incentive Funds within the Local Assistance Funds, basically taking away our ability to access the Fund. There is a 2 % across the board cut to state agencies (including contracts they have) and we are waiting to see more specifically how that will affect the City.

Revenue Maximization and Cost Reduction Process

Over the past several months we have engaged in two extensive exercises to maximize our revenue sources as well as identify cost reductions throughout our agency. These two exercises have resulted in \$75.9 million in savings in fiscal year (FY) 2008 and a total of \$232.7 million in savings over the period of FY2008 through FY2012. This includes savings within both the Financial Plan and the Executive budget.

In March I explained that we reduced vacancies as part of our earlier cost reduction process, but not in a way that will harm our ability to serve New Yorkers. HRA's current vacancy rate as of April 11, 2008 is 5.0 percent.

Caseload Trends

At this point I would like to update you on our overall caseload levels. Our cash assistance caseload is still at near historic lows at approximately 347,000 and job placements are steady, keeping pace with where we were at this time last year. As you know, our current welfare caseload represents a drop of more than one million fewer recipients since the peak welfare usage month of March 1995 and over 115,000 less recipients than it was at the start of the Bloomberg Administration.

Currently, there are over 1.1 million persons receiving Food Stamp benefits, of which over 582,000 do not receive cash assistance. As of last month the number of Food Stamp cases increased to 625,916, which is an increase of 32,027 cases since July 2007. This period coincides with the implementation of new strategies designed to make it easier for people to apply for and retain Food Stamp benefits. We have expanded the hours of operation of our offices and, with the cooperation of the New York City Coalition Against Hunger and the Food Bank implemented five community locations, made it easier to apply. We also offer telephone interviews both for working applicants and, in a phased implementation, for all recipients in Food

Stamp offices. Further we have worked to ensure that those who obtain employment and are ineligible for cash assistance retain Food Stamp benefits as a work support.

Enrollment in the Medicaid program continues at a very high level, indicating Medicaid's tremendous importance as a support for working New Yorkers. As of April 2008, almost 2.6 million City residents were covered by public health insurance programs administered by HRA of whom over 1.8 million are consumers not receiving Cash Assistance or federal Supplemental Security Income (SSI).

Food Stamp Benefits and Nutrition

In March I went over some of our outreach efforts, new partnerships, and simplifications to the application and recertification process that have contributed to an increase in our non-cash assistance caseload. We are also working with both Speaker Quinn's Office and this Committee on a match of our Medicaid and Food Stamp rolls to identify and reach out to individuals who are potentially eligible for Food Stamp benefits and not receiving them. We believe that these efforts, along with new ones I will discuss shortly are important steps to making sure that low-income working families receive the support they need.

The Food Stamp Program

Most recently our outreach staff completed an initiative at the Food Change VITA site where tax return and Earned Income Tax Credits preparation assistance was provided. In its first year, and in a short period of several weeks, we were able to prescreen over 430 persons for Food Stamp benefits who had come in for tax return preparation assistance and may not have otherwise applied for the benefit.

We are also now expanding an initiative that was developed by one of our Food Stamp offices to better serve elderly and disabled SSI recipients who are automatically enrolled in the Food Stamp program through the New York Nutrition Improvement Project (NYSNIP). Through NYSNIP, approximately 1,000 individuals a month who start receiving SSI are automatically enrolled in Food Stamp Program. (Since we must rely on data from the SSI process, they are usually at the minimum benefit levels of \$18 and \$24; participants are advised to submit information on their rent and utility expenses to see if they qualify for an increased benefit.)

Recognizing that relatively few individuals returned the expense information, staff from the Food Stamp office that serves SSI cases looked for a solution and began by working with the State to identify approximately 20,000 SSI recipients that were receiving the minimum benefit. The Office then developed a special mailing to this group that went out earlier this year and to date over 2,600 responses have been reviewed. Of those, over 70% have received a benefit increase, boosting their benefits to at least \$100 monthly. The largest single group, comprising about 40% of the returns, went from a benefit level of near \$20 monthly to \$162 monthly. This represents over \$1,600 in additional food assistance annually for each individual in this group. We have expanded the project and are now working with senior centers to try and get information from those who have yet to submit any verification. I also want to point out that this effort was developed AND implemented by the manager of our F15 Center, Mr. Milton Oliver, and his staff solely through their own initiative. Mr. Oliver is sitting with us today and I would like to publicly thank him; he is an asset to HRA and of course the many SSI recipients who now have additional Food Stamp benefits.

Emergency Food Assistance Program (EFAP)

Our current allocation for the Emergency Food Assistance Program is \$8.6 million, which includes the additional million that was announced in November. Recently, 13 new programs were added with allocations totaling \$49,650, bringing current EFAP membership to 515 active programs. We also want to thank the Council for their support of the EFAP enhancement grants in FY'08 where 100 programs received this funding to purchase equipment and make minor structural improvements. Also, although not finalized, we have become more confident about the infusion of new federal resources. As you know, the present Farm bill includes \$1.2 billion in increased funding to food banks. I understand that a conference agreement will be voted on by Congress this week and its passage could bring much needed assistance to the City's food banks as well as important changes to the Food Stamp program.

The WeCARE Program

I think it is important that I report to you on the latest developments concerning our WeCARE Program, HRA's innovative effort to address the needs of our welfare clients who have clinical barriers to achieving self-sufficiency.

Both of our WeCARE contracts have been renewed and those renewals have been approved by the City's Comptroller's Office. As both of our partners have shown marked improvements in each of their key performance indicators, our combined employment placements are up 41 percent from a year ago; and our federal disabilities awards are up 39 percent from a year ago.

We also have a contract with the New York County Health Services Review Organization to conduct independent quarterly reviews. NYCHSRO has completed three medical site evaluations and one non-medical site evaluation. A chart audit is nearing completion. This important element of contract oversight combined with our ongoing monthly meetings and performance monitoring give us a very solid basis on which to monitor these contracts in the coming year.

Economic Support from Both Parents

The final issue I would like to address is one that I first spoke to you about last May. Over the past year, I have focused attention on making sure children from single-parent households receive the emotional and financial support of both parents. To a very large degree the economic divide between poor and non-poor is a function of the extent to which families have the benefit of two incomes, and unfortunately the single parent families we serve are too often left out of that benefit. That's why, we at HRA, have begun a series of initiatives targeted at this population of mostly young fathers who have not benefited from previous improvements to social policy.

Working with these young, low-income fathers requires different approaches and techniques on our part. This means adding new components onto our present employment and training programs. It also means creating free events and activities in the City that encourage healthy relationships between dads and their children; a simple concept but one that requires the buy-in of the whole family and everyone in the human services community as well. It also means making sure that non-custodial parents understand the child support system so that orders are set correctly to avoid unnecessary arrears and ultimately, so that responsibility is taken and support is paid for the child. Finally, for those who are involved in the criminal justice system, it means reaching out to fathers prior to release or as they leave prison for job preparation skills training and important work supports such as Food Stamp benefits and Medicaid.

Employment and Fatherhood

The Parks Department is also assisting in the agency's efforts to improve services to non custodial parents. Within its Park Opportunity Program, Parks has created a specialized program focused on non custodial fathers. The Parks Works for the Dad program emphasizes employment while providing counseling and information on developing a relationship with their children and children's mother, and how to be a better parent. We believe this combination of employment and parenting skills is an excellent model and look forward to replicating it.

NYC Dads

In addition, HRA is the lead agency for NYC Dads, a new, city-wide public education campaign. A website will provide information on parenting guidance, community resources, as well as inexpensive and free activities to do with children. Next month is also our second annual Father's Day picnic at Keyspan Park in Coney Island, one of our largest events of the year that invites dads from fatherhood programs throughout the City to participate with their children.

As I mentioned, we are still at the initial stages of many of these initiatives but will continue expanding our work with these young fathers. We are also conducting several studies in this arena and look forward to updating you on both the research and the initiatives at next year's hearing.

Thank you and I look forward to your questions.

ADDENDUM:

The following charts were presented at the hearing:

Chart One: Cash Assistance Recipients in NYC April 2007 – April 2008

Chart Two: Food Stamp Recipients in NYC April 2007 – April 2008

Chart Three: Medicaid Enrollees in NYC April 2007 – April 2008

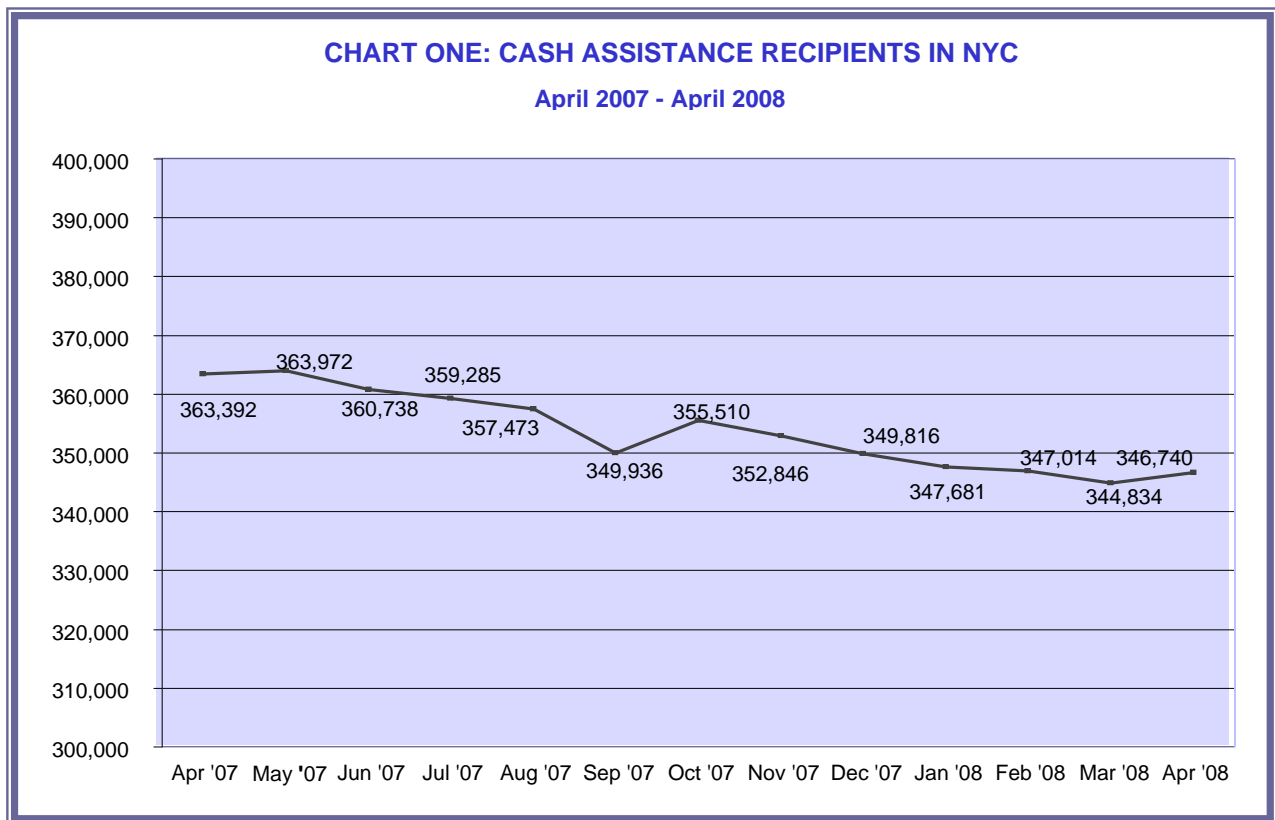


CHART 2: FOOD STAMP RECIPIENTS IN NYC
April 2007 - April 2008

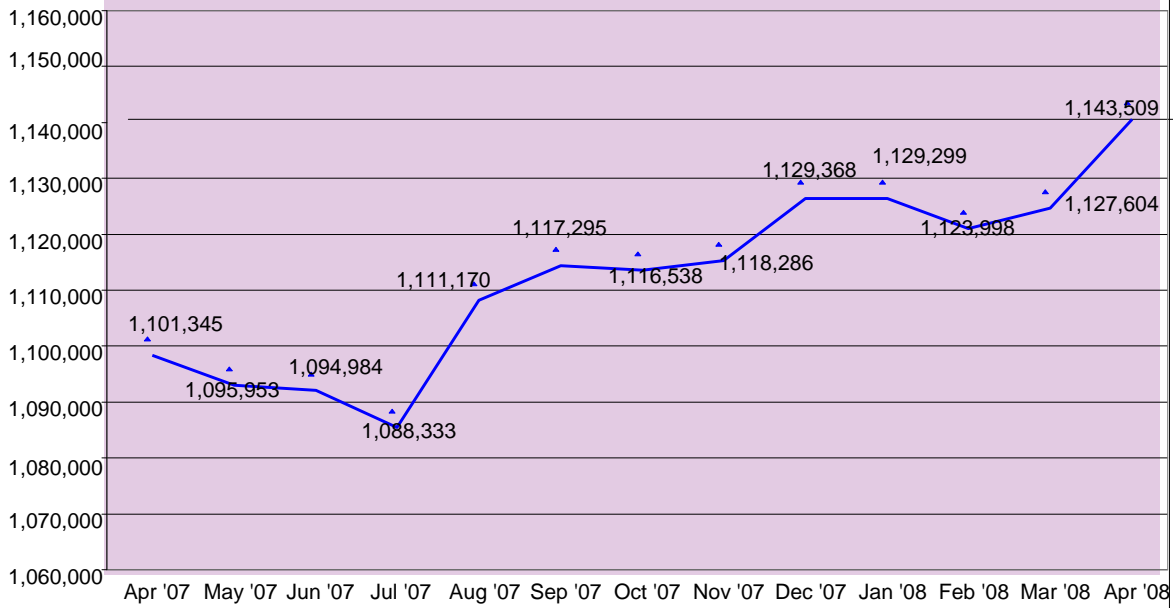


CHART THREE: MEDICAID ENROLLEES IN NYC
April 2007 - April 2008

